Effect of Economic Reforms on Agriculture

†1436. SHRIMATI KUM KUM RAI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) in what manner agriculture and small scale industries and rural economy have been affected by the second phase of economic reforms;

(b) the targets fixed by various banks and financial institutions for providing direct and indirect loans to agriculture sector;

(c) the achievements made in this regard; and

(d) to what extent the loans provided by the banks and financial institutions are profitable?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) The second generation reforms have included agriculture for focus. The most important measure taken this year was to ensure that the entire country is one single market for the farm producer through the removal of controls on movement and stocking of principal crop products such as rice, wheat, coarse grains, sugar, edible oil and oilseeds. Some of the other recent reform measures are:

- to encourage value addition and prevent wastage of perishable products, the Government announced the policy for subsidizing part of interest on loans for creation of storage capacity;
- forward trading is now allowed in 42 products, even though many exchanges for this have yet to become operational;
- quantitative restrictions were removed for export of many agri products, except onion, niger seeds and jute;
- 51 items were dereserved from the SSI sector as part of reform measures during the current year;
- Out of 32 Agricultural Export Zones(AEZs) sanctioned in 15 states, 28 have been operationalised so far.

(b) The target of direct and indirect advances to agriculture sector is 18 percent of Net Bank Credit (NBC) for domestic public sector and private banks. No target is prescribed for foreign banks.

(c) Achievement with regard to priority sector lending to agriculture is listed below:

†Original notice of the question was received in Hindi.

Year as at end March	% Share Net Bank Credit Public Sector Banks	Private Banks
2000	15.8	9.6
2001	15.7	9.6
2002	15.8	NA

(d) Lending by banks and financial institutions to agriculture sector is profitable with relatively lower ratio of defaults.

Ten Rupee Coins

1437. SHRI K. KALAVENKATA RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether government are contemplating to issue ten rupees coin;

(b) if so, the details in this regard;

(c) whether any new measures are being taken by the Reserve bank of India for withdrawal of soiled and mutilated notes from circulation;

(d) whether issuing of coins through post offices is also being contemplated; and

(e) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) A new series of coins is being planned that would include a coin in Rs. 10 denomination too.

(c) Yes, Sir.

(d) and (e) A pilot arrangement for distribution of coins has been entered into between Reserve Bank of India, Mumbai and General Post Office (GPO), Mumbai. GPO receives full bags of coins of various denominations from the RBI and delivers the coins to different post offices in the Maharashtra circle for issue of coins over their counters. So far, GPO, Mumbai has received a total of 5170 bags of rupee coins worth Rs. 2.84 crores for distribution through their offices. Other RBI Offices are also in discussion with the postal authorities for entering into similar arrangement.